GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:98
ANSWERED ON:19.11.2001
PROVIDENT FUND DEDUCTION
UMMAREDDY VENKATESWARLU

Will the Minister of LABOUR be pleased to state:

(a) whether the Government propose to make Provident Fund Deductions mandatory for all employees earning upto Rs.6500 or less per month;

(b) if so, whether the present financial limit for provident fund deductions is Rs. 5000 per month;

(c) if so, the reasons for increasing the financial threshold;

(d) whether more employees are likely to come under the Provident Fund Net;

(e) if so, whether the present number of employees coming under the Providenbt Fund Net is not growing at the earlier rates of growth;and

(f) if so, the reasons for this stagnation in the Provident Fund numbers?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI MUNI LALL)

(a) to (c): Wage ceiling for coverage under the Employees` Provident Fund & Miscellaneous Provisions Act, 1952 has been enhanced from Rs.5000/- to Rs.6,500/- per month with effect from 1.6.2001. The reasons for increasing the financial threshold is to widen the PF net and to cover more eligible subscribers.

(d) & (e): There has been a net increase of 14.18 lakh and 17.63 lakh in membership for the financial year 1999-2000 and 2000-2001 respectively.

(f): Does not arise.